

**CITY OF FALCON HEIGHTS
COUNCIL RESOLUTION**

March 22, 2023

No. 23-21

**A RESOLUTION CONSENTING TO AMENDMENTS TO THE
CITY'S EDUCATIONAL FACILITIES REVENUE REFUNDING NOTE (MOUNDS
PARK ACADEMY PROJECT), SERIES 2014**

WHEREAS, pursuant to a resolution of the City adopted on April 9, 2014, the City of Falcon Heights, Minnesota (the "City"), issued its Educational Facilities Revenue Refunding Note (Mounds Park Academy Project), Series 2014 (the "Note"), in the original aggregate principal amount of \$7,707,444 to Bremer Bank, National Association, a national banking association (the "Lender"); and

WHEREAS, pursuant to a Loan Agreement dated as of May 15, 2014 (the "Loan Agreement"), between the City and Mounds Park Academy, a Minnesota nonprofit corporation (the "Borrower"), the City loaned the proceeds of the Note to the Borrower for the purpose of refinancing (i) an approximately 33,000-square-foot addition to be used as kindergarten classrooms, office and classroom space, and a combination gymnasium–auditorium facility and miscellaneous improvements to the existing facilities located at 2051 Larpenteur Avenue East in the City of Maplewood, Minnesota (the "Host City"), including code compliance, handicapped accessibility improvements, sprinkler systems, asbestos removal, parking lot improvements and interior renovation, (ii) the installation of various capital improvements to the Borrower's facilities located at 2051 Larpenteur Avenue East in the Host City, (iii) the acquisition of real property located at 2025 Larpenteur Avenue East in the Host City, and (iv) the acquisition, construction and equipping of an athletic field house, a two-story classroom addition linking the field house to the upper school, an early childhood classroom, new parking and driveway improvements and other capital improvements to the Borrower's existing facilities located at 2051 and 2025 Larpenteur Avenue East in the Host City (collectively, the "Project"), and the Borrower agreed to repay the Note in specified amounts and at specified times sufficient to pay in full when due the principal of, premium, if any, and interest on the Note; and

WHEREAS, pursuant to a Pledge Agreement (the "Pledge Agreement") dated as of the date of the Loan Agreement, between the City and the Lender, the City pledged and granted a security interest in all of its rights, title, and interest in the Loan Agreement to the Lender (except for certain rights of indemnification and to reimbursement for certain costs and expenses); and

WHEREAS, the Note is currently owned by the Lender; and

WHEREAS, the City has been advised by the Lender that the interest rate on the Note is currently a variable rate to be adjusted on June 1, 2024, based upon the 5-year London inter-bank offered rate ("LIBOR") swap rate (the "Existing Index"), plus a spread, and that the Existing Index is being phased out effective June 30, 2023, and will no longer be available after that date; and

WHEREAS, the Borrower and the Lender have agreed to replace the Existing Index with the 5 Year Federal Home Loan Bank Rate as published by The Federal Home Loan Bank of Des Moines as of the date of determination (the "Replacement Index"), as further described in the Allonge to Note (the "Allonge"), a substantially final form of which has been provided to the City (the "Modification"); and


WHEREAS, the Lender has advised the City that the Replacement Index, as modified by the proposed spread, is a rate comparable to the Existing Index, as modified by the existing spread;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FALCON HEIGHTS, MINNESOTA, as follows:

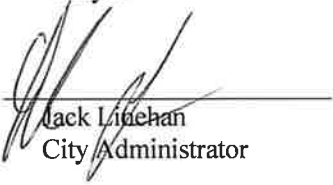
1. The City approves the Modification and authorizes the execution of the Allonge.
2. The Allonge is hereby in all respects approved, subject to modifications that do not alter the substance of the transaction and that are approved by Taft Stettinius & Hollister LLP as bond counsel to the City; provided that delivery of the Allonge shall be conclusive evidence of approval.
3. The Mayor and the City Administrator are hereby authorized to execute and deliver the Allonge and any other related documents on behalf of the City.
4. This Resolution shall be in full force and effect from and after its passage.

Adopted by the City Council of the City of Falcon Heights, Minnesota, this 22nd day of March, 2023.

Moved by: Leehy

Approved by: 
Randall C. Gustafson
Mayor

GUSTAFSON 5 In Favor
MEYER
LEEHY 0 Against
WASSENBERG
WEHYEE

Attested by: 
Jack Luehan
City Administrator